regularly in the hot weather, while the natural river flow is on occasions as low as one-tenth of that discharge. It is true our main contentions have been conceded but it is difficult to suppose that we have not paid a heavy price for success.

12. His Highness' Government are greatly indebted to the Government of India for having had this important question investigated and settled so promptly by an expert committee.

3.—Finance.

Revised Estimate for 1915-16.

13. According to the revised budget estimates, the total revenue for 1915-16 was Rs. 284·85 lakhs and the total ordinary service expenditure Rs. 260·98 lakhs, showing a surplus of Rs. 23·87 lakhs. Including an extraordinary outlay on capital account works of Rs. 60·31 lakhs, the total expenditure came to Rs. 321·29 lakhs, or Rs. 36·44 lakhs in excess of the revenue.

Budget Estimate for 1916-17.

14. The State budget for 1916-17 was placed before the Legislative Council on the 29th June 1916 and discussed by that body on the 18th and 19th July last. As finally passed, it estimates for a revenue of Rs. 2,86,22,000, that is, Rs. 1,37,000 more than in the past year and provides for an expenditure amounting to Rs. 2,85,94,000 as against Rs. 2,60,98,000. The details are given in statement A.

The assets and liabilities of the State as they stood on 1st July 1916 are set forth in statement B.

15. The expenditure of the State is regulated by means of triennial forecasts which are revised at the beginning of every year and which enable us to look ahead and calculate our resources and requirements three years in advance. The actual results compared with the forecasts have been uniformly favourable showing that our estimates are usually conservative.

16. As I have stated on various other occasions, we shall soon have to face the problem of financing our public works programme. We have in recent years spent over two

crores from our current revenues for creating property for the State which is already earning, or which will soon earn, much more than the ordinary rate of interest. A portion of this revenue may be well utilised for borrowing more money in order to complete with reasonable celerity the works of development necessary for the State. Such a course is followed in every civilised country as being not only safe but equitable, distributing as it does the burden of permanent and productive improvements over several generations who benefit from them. I revert to these considerations not because Government want to borrow immediately—I think there is no likelihood of any large loan being contracted in the current year or even in the next—but because it is desirable that the public mind should become familiar with the idea that the construction of public works from loan funds is a legitimate means of advancing the permanent interests of the State and that failure to do so, may reasonably bring on Government the accusation that it has not risen to its opportunities.

4.—Revenue Departments.

Land Revenue.

17. The land revenue collections of the year, including receipts from irrigation, amounted to about Rs. 1,04,50,000. The sorting and inspection of records have been receiving attention and a new system of registering and filing correspondence has been introduced in the offices of the Revenue Commissioner and of the Deputy Commissioners of districts. The Village and Taluk Manuals have been completed and are being scrutinised. Revised rules have been recently prescribed for recruitment to the Amildari service. The rules provide among other things for giving equal chances to subordinate officials in the several departments of Government, and for showing special consideration to officials belonging to communities not hitherto sufficiently represented in the public service of the State.

District and Taluk Conferences.

18. With a view to stimulate interest in the work connected with public measures in rural areas, the Deputy